



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

RECEIVED

MAR 12 2001

DIVISION OF
OIL, GAS AND MINING

5/047/064

IN REPLY REFER TO:

3592

U-72699

(UT-931)

MAR 07 2001

CERTIFIED MAIL--Return Receipt Requested
Certification No.

Mr. Mike Lekas, Vice President
LEXCO
1015 Bermuda Drive
Concord, CA 94518

Re: Additional Drilling Plan for Federal Gilsonite Lease UTU-72699

Dear Mr. Lekas:

On December 2, 2000, the Bureau of Land Management (BLM) Utah State Office, received your exploration map with your request for advise for making a formal proposal for this work. BLM has the following requirements:

1. The 3500 regulations must be followed when submitting an exploration plan. This must be a stand alone document so all sections must be addressed. If there are areas which do not apply, the lessee should address them as "not applicable". These regulations have been enclosed (Enclosure 1.) for your convenience.
2. Copies of the plan should be addressed to Mr. Stan Perkes at the above address and Mr. Pete Sokolosky, Vernal Field Office, 170 South 500 East, Vernal, Utah 84078.
3. LEXCO is proposing slant drill holes. The distance from the vein should be identified and not left to the scale of the map.

4. Your letter suggested that an existing trail would be utilized for this additional work. The trail is not located on the map. The map should contain a legend showing previously approved drill holes under the prior environmental analysis (EA, Vernal District #1995-69). There should be an indication if the holes were drilled or not drilled. These would be additional requirements to the regulations for site specific purposes. These additions would facilitate the processing of the exploration plan.

5. To expedite your application, you need to re-state in your exploration plan that you will adhere to the mitigating measures in the EA, Vernal District #1995-69. They are as follows:

a. **Raptors** - No surface activities will be allowed within 0.5 miles of known raptor nests during the raptor nesting season. For golden eagles the time to avoid is February 1 to July 15. For ferruginous hawks the time to avoid is March 1 to July 15. At the end of the gilsonite vein in the Northwest corner of Section 34, any roads and/or turn around should be kept to the North of the vein.

b. **Antelope** - No construction will be allowed between May 15 and June 20 to avoid impacts to antelope during kidding season.

c. **Cross country travel** - There will be no vehicular cross country travel during muddy and wet periods, when such travel would produce a rut or track greater than or equal 4 inches in depth.

d. **Hazardous substances** - Less than 10,000 pounds of any chemical(s) from EPA's Consolidated list of Chemicals Subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) of 1986, and less than the Threshold Planning Quantity (TPQ) of any extremely hazardous substance(s), as defined in 40 CFR 355, would be used, produced, transported, stored, disposed, or associated with the proposed exploration operations annually. Vehicle and equipment fuel, lubricants, antifreeze and battery acid would be the only hazardous materials used or associated with the proposed action. Risk of a release would be very low, and the adverse environmental affect of a release would be minimal because it would be cleaned up immediately and disposed of in an approved waste disposal facility.

e. **Groundwater** - Should groundwater flow be encountered during operations, the lessee/operator shall contact the Utah State Office Mining Engineer(801- 539-4036) and the Vernal Field Office Hydrologist or Geologist (435-781-4400) within 24 hours of the encounter and report on the following:

- 1) True vertical encountered depth
- 2) Subsurface location at which it was encountered
- 3) The approximate flow rate into the mine
- 4) Association of flow with any major geologic feature such as a fault or fracture surface.

Based upon this information, the AO will determine if the lessee will be required to monitor the effect of the flow into the mine on any nearby wildlife, or stock wells. If such wells are affected the AO may require the lessee to supply replacement water to the affected stock or wildlife ponds.

All groundwater flows encountered in the mine shall be sampled and analyzed for major cations, anions (Enclosure 2.), total dissolved solids, pH, and total suspended solids. The lessee shall follow the rules and regulations of the State of Utah pertaining to the sampling parameters for pollutants and surface effluent discharges from the proposed exploration (Utah Administrative Code, August 4, 1995, R317-1.2: General Requirements: R317-8.3: Application Requirements (for a UPDES Permit: R317-6-2:Ground Water Quality Standards). Results from these analyses and sampling

parameters for pollutants as required by the State of Utah shall be provided to the Vernal District office Hydrologist (Vernal District Office, 170 L., 500E., Vernal, Ut. 84078) and Utah State Office Mining Engineer (USO, P.O. Box 45155, Salt Lake City, Ut., 84145-0155) within 30 working days of encountering the water.

For further information contact Mr. Stan Perkes, (801) 539-4036.

Sincerely,

/s/ Douglas M. Koza

Douglas M. Koza
Deputy State Director, Natural Resources

Enclosure:

1. Title 43- Part 3590 and 3500 Chapter II - Public Lands: Interior (4 pp)
2. Water Measurements (1 p)

bcc: Central Files
DFOM, Vernal
Utah Division of Oil, Gas, and Mining (Attn. Tony Gallegos)
Files - UTU-72699
Chron File
UT-931, S. Perkes

SPerkes:jan:02/12/01:Explinfo

Enclosure 1.

TITLE 43--PUBLIC LANDS: INTERIOR

**CHAPTER II--BUREAU OF LAND MANAGEMENT,
DEPARTMENT OF THE INTERIOR**

**PART 3590--SOLID MINERALS (OTHER THAN COAL) EXPLORATION AND MINING
OPERATIONS--Table of Contents**

Subpart 3592--Plans and Maps

Sec. 3592.1 Operating plans.

(a) Before conducting any operations under any lease(s), license(s), or permit(s), the operator shall submit to the authorized officer an exploration or mining plan which shall show in detail the proposed exploration, prospecting, testing, development or mining operations to be conducted. Exploration and mining plans shall be consistent with and responsive to the requirements of the lease, license or permit for the protection of nonmineral resources and for the reclamation of the surface of the lands affected by the operations on Federal or Indian lease(s), license(s), or permits. The authorized officer shall consult with any other agency involved, and shall promptly approve the plans or indicate what additional information is necessary to conform to the provisions of the established requirements. No operations shall be conducted except as provided in an approved plan.

(b) The exploration plan shall be submitted in accordance with mineral specific regulations in Group 3500 of this title (See subparts 3512, 3522, 3532, 3542, 3552 and 3562) and in accordance with 25 CFR 216.6 for Indian lands. **[new 3505.45 below] added**

(c) The lessee/operator shall submit 2 copies of the mining plan to the authorized officer for approval. An additional copy shall be submitted if the surface managing agency is other than the BLM. The mining plan shall contain, at a minimum, the following:

(1) Names, addresses and telephone numbers of those responsible for operations to be conducted under the approved plan to whom notices and orders are to be delivered, names and addresses of lessees, Federal lease serial numbers and names and addresses of surface and mineral owners of record, if other than the United States;

(2) A general description of geologic conditions and mineral resources, with appropriate maps, within the area where mining is to be conducted;

(3) A copy of a suitable map or aerial photograph showing the

topography, the area covered by the lease(s), the name and location of major topographic and cultural features and the drainage plan away from the affected area;

(4) A statement of proposed methods, of operating, including a description of the surface or underground mining methods, the proposed roads, the size and location of structures and facilities to be built, mining sequence, production rate, estimated recovery factors, stripping ratios and number of acres in the Federal or Indian lease(s), license(s), or permit(s) to be affected;

(5) An estimate of the quantity and quality of the mineral resources, proposed cutoff grade and, if applicable, proposed blending procedures for all leases covered by the mining plan;

(6) An explanation of how ultimate maximum recovery of the resource will be achieved for the Federal or Indian lease(s). If a mineral deposit, or portion thereof, is not to be mined or is to be rendered unminable by the operation,

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the operator/lessee shall submit appropriate justification to the authorized officer for approval;

(7) Appropriate maps and cross sections showing:

(i) Federal or Indian lease boundaries and serial numbers;

(ii) Surface ownership and boundaries;

(iii) Locations of existing and abandoned mines;

(iv) Typical structure cross sections;

(v) Location of shafts or mining entries, strip pits, waste dumps, and surface facilities; and

(vi) Typical mining sequence, with appropriate timeframes;

(8) A narrative which addresses the environmental aspects associated with the proposed mine which includes, at a minimum, the following:

(i) An estimate of the quantity of water to be used and pollutants that may enter any receiving waters;

(ii) A design for the necessary impoundment, treatment or control of all runoff water and drainage from workings to reduce soil erosion and sedimentation and to prevent the pollution of receiving waters;

(iii) A description of measures to be taken to prevent or control fire, soil erosion, subsidence, pollution of surface and ground water, pollution of air, damage to fish or wildlife or other natural resources and hazards to public health and safety; and

(9) A reclamation schedule and the measures to be taken for surface reclamation of the Federal or Indian lease(s), license(s), or permit(s) that will ensure compliance with the established requirements. In those instances in which the lease requires the revegetation of an area affected by operations, the mining plan shall show:

(i) Proposed methods of preparation and fertilizing the soil prior to replanting;

(ii) Types and mixtures of shrubs, trees or tree seedlings, grasses or legumes to be planted; and

(iii) Types and methods of planting, including the amount of grasses or legumes per acre, or the number and spacing of trees or tree seedlings, or combinations of grasses and trees;

(10) The method of abandonment of operations on Federal or Indian lease(s), license(s), and permit(s) proposed to protect the unmined recoverable reserves and other resources, including the method proposed to fill in, fence or close all surface openings which are a hazard to people or animals. Abandonment of operations also is subject to the provisions of subpart 3595 of this title; and

(11) Any additional information that the authorized officer deems necessary for approval of the plan.

(d)(1) Approved exploration and mining plans may be modified at any time to adjust to changed conditions or to correct an oversight. To obtain approval of an exploration or mining plan modification, the operator/lessee shall submit a written statement of the proposed modification and the justification for such modification. Any proposed exploration or mining plan modification(s) shall not be implemented unless previously approved by the authorized officer.

(2) The authorized officer may require a modification to the approved exploration or mining plan if conditions warrant.

(e) If circumstances warrant, or if development of an exploration or mining plan for the entire operation is dependent upon unknown factors which cannot or will not be determined except during the progress of the operations, a partial plan may be approved and supplemented from time to time. The operator/lessee shall not, however, perform any operation except under an approved plan.

TITLE 43--PUBLIC LANDS: INTERIOR
CHAPTER II--BUREAU OF LAND MANAGEMENT,
DEPARTMENT OF THE INTERIOR

PART 3500--LEASING OF SOLID MINERALS OTHER THAN COAL AND OIL SHALE--Table
of Contents

Subpart 3505--Prospecting Permits

Sec. 3505.45 What is an exploration plan?

An exploration plan shows how you intend to determine the existence and workability of a valuable deposit. Your exploration plan must include as much of the following information as possible:

(a) The names, addresses and telephone numbers of persons responsible for operations under your plan and to whom BLM will deliver notices and orders;

(b) A brief description of the environment your plan may affect. Focus on the affected geologic, water and other physical factors, and the distribution and abundance of vegetation and habitat of fish and wildlife, particularly threatened and endangered species. Include maps with your descriptions, and discuss the present land use in and adjacent to the area;

(c) A narrative description showing:

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(1) The method of exploration and types of equipment you will use;
(2) The measures you will take to prevent or control fire, soil erosion, pollution of surface and ground water, pollution of air, damage to fish and wildlife or their habitat, damage to other natural resources, and hazards to public health and safety, including specific actions necessary to meet all applicable laws and regulations;

(3) The method for plugging drill holes; and

(4) The measures you will take to reclaim the land, including:

(i) A reclamation schedule;

(ii) The method of grading, backfilling, soil stabilization, compacting and contouring;

(iii) The method of soil preparation and fertilizer application;

(iv) The type and mixture of shrubs, trees, grasses, forbs or other vegetation you will plant; and

(v) The method of planting, including approximate quantity and spacing;

(d) The estimated timetable for each phase of the work and for final completion of the program;

(e) Suitable topographic maps or aerial photographs showing existing bodies of surface water, topographic, cultural and drainage features, and the proposed location of drill holes, trenches and roads; and

(f) Any other data which BLM may require.

Enclosure 2.

Water measurements for encountering water during drilling and/or mining.

Measurements	Reported As
Water level or Flow	Depth, CFS, CFM
pH	Standard Units
Total Dissolved Solids (TDS)	mg/L
Total Suspended Solids (TSS)	mg/L
Oil and Grease	mg/L
Aluminum (Total)	ug/L
Iron (Total)	ug/L
Antimony (Total)	ug/L
Arsenic (Total)	ug/L
Beryllium (Total)	ug/L
Cadmium (Total)	ug/L
Chromium (Total)	ug/L
Copper (Total)	ug/L
Mercury (Total)	ug/L
Nickel (Total)	ug/L
Seleium (Total)	ug/L
Silver (Total)	ug/L
Thallium (Total)	ug/L
Zinc (Total)	ug/L
Cyanide (Total)	ug/L
Phenols (Total)	ug/L